USA & CANADA INTELLIGENCE BRIEF — FRIDAY, AUGUST 7, 2026

The Country That Stopped Listening To Itself

American employers cut 23,000 jobs in July and another 103,000 were revised out of May and June. Shares rose toward a record anyway, and Washington spent the morning rewriting who is born American.

Three messages, one country, none of them listening to the others. Canada had the simpler day and trusted it less.

Compiled from English and French Canadian sources, with domestic stories only and no war stories.

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EDITOR'S LEADER · 01

JOBS FALL · SHARES RISE · CITIZENSHIP REDEFINED

Three Voices, No Conversation

America received three messages on Friday morning and none of them agreed with the others. The data said weakness, the markets said records, and the government said something else entirely.

Employers cut 23,000 jobs in July, where forecasters had expected a gain of 80,000 to 83,000. May and June were then revised down by a combined 103,000, taking May from 129,000 to 63,000.

The unemployment rate edged down to 4.1%, which sounds like relief and is not. It fell because the share of Americans working or looking for work dropped to 61.4%, the lowest in over five years.

This is not a country being fired but one quietly giving up the search. Temporary layoffs rose by 153,000 to 921,000, and wage growth slowed to 3.2%, the weakest since May 2021.

The market read all this as good news. By early afternoon in New York the broad index was up about 0.5% and the technology index 1.1%, and government borrowing costs fell.

> *Friday's jobs report was not just much weaker than expected, it showed that the economy shed jobs during July, which puts the Federal Reserve in a conundrum, since inflation is still elevated and sticky.*
>
> BRENT WILSEY, WILSEY ASSET MANAGEMENT · AUGUST 7 2026

What it means for interest rates is genuinely disputed. One reading has traders paring bets on a September increase, another shows the odds of a September cut falling to 42% from 55%, and Wall Street still expects at least one rise by year-end.

Meanwhile the loudest argument in Washington was not about work at all. The president signed two executive orders narrowing who is born a United States citizen.

The first widens the categories of people whose children would not qualify, the second targets what the White House calls birth tourism. Civil liberties lawyers say the Constitution cannot be amended this way, and challenges are considered certain.

On the morning its labour market shrank, the country's central debate was about belonging rather than employment. The two conversations were held in the same city and never met.

Canada had a simpler day and trusted it less. It added 75,000 jobs against a forecast of 15,000, and unemployment fell to 6.4%, a two-year low.

Its own economists immediately explained why nobody should be pleased, noting the rate is still well above the American 4.1% and that wage growth slowed. They are right, and the caution is also a habit.

Twelve days from now a 50% American tariff lands on roughly 20 billion dollars of Canadian goods. Ottawa spent the day setting by-election dates for 31 August, which is its own small assertion of normality.

For readers in Latin America, the lesson is about listening. When a country's data, its markets and its politics stop answering one another, the disagreement itself becomes the story.

EXECUTIVE SUMMARY · 02

THE DAY AT A GLANCE

The Day At A Glance

Here is Friday's news, in order of how much it matters for the economy and markets, covering domestic stories only with no war stories, after a sweep of English and French Canadian sources. We have skipped what was already covered this week, and there is no sport.

US · The Summer That Was Revised Away

Employers cut 23,000 jobs in July against forecasts of an 83,000 gain. May and June were revised down by a combined 103,000.

US · The Quiet Version of Failure

Unemployment edged down to 4.1% only because participation fell to 61.4%, the lowest in over five years. Temporary layoffs rose 153,000 to 921,000.

US · Washington Rewrites Who Is American

Two executive orders narrow who is born a United States citizen, drawing on a Supreme Court ruling of 30 June. Legal challenges are considered certain.

Markets · Relief at Bad News

By early afternoon the broad index was up about 0.5% and the technology index 1.1%, after Thursday closed lower at 7,709.96. The two-year Treasury yield fell to 4.204%, its lowest since 17 July.

Canada · Five Times the Forecast

Canada added 75,000 jobs against expectations of 15,000, and unemployment fell to 6.4%, a two-year low. Employment is up 181,000 since April.

Canada · Nobody Is Allowed to Celebrate

Canadian economists called the labour market not yet strong and the recovery road long. The rate remains well above the American 4.1%.

US · A Nomination in Trouble

Senator Lisa Murkowski will vote against Todd Blanche for attorney general. His confirmation now turns on Senator Bill Cassidy of Louisiana.

US · Results Cut Both Ways

The Trade Desk fell 18.1% and Seagate 8%, while Doximity jumped 81% and Atlassian rose 32.1%. The market rewarded and punished with equal violence.

US · Wages Cool Sharply

Average hourly earnings rose two cents, taking annual growth to 3.2%. That is the weakest pace since May 2021.

Canada · A Calendar and a Deadline

By-elections have been called for 31 August. A 50% American tariff on roughly $20 billion of goods lands on 19 August.

The Numbers At A Glance · USA & Canada · Friday August 7, 2026

US Payrolls **-23,000** vs +83,000 seen	US Revisions **-103,000** May and June	US Participation **61.4%** 5-year low	US Wage growth **3.2%** Since May 2021
US S&P; 500 **+0.5%** Near record	US 2-year yield **4.204%** Since Jul 17	CA Jobs added **75,000** vs 15,000 seen	CA Unemployment **6.4%** 2-year low

OUR SIMPLE HEALTH CHECK · USA + CANADA

How The Economies Are Doing

This is our simple health check, updated Friday after employment reports that pointed in opposite directions on either side of the border. Each area is rated from 1 to 5, where a lower number is better and a higher one means more strain.

AREA	POLITICS	BUDGET	MONEY	MARKETS	OUTSIDE	WHAT'S DRIVING IT
US Jobs employment	3	3	4	3	3	Payrolls fell 23,000 and 103,000 were revised out of May and June; participation at 61.4% is a five-year low; people are leaving the search rather than being fired.
US Wages earnings	2	2	3	2	3	Average hourly earnings rose two cents and annual growth slowed to 3.2%, the weakest since May 2021; easier for inflation, harder for households.
US Inflation prices	2	2	4	2	3	Still elevated and sticky while employment shrinks, the combination one investment chief called a conundrum; energy costs remain the wild card.
US Fed / Rates policy	3	2	4	3	2	Held last week on a nine to three vote and the split has not healed; September pricing is disputed, with cut odds at 42% and Wall Street still expecting a rise this year.
US Markets shares · US$	2	3	3	2	2	By early afternoon the broad index was up about 0.5% and technology 1.1%, reading weak employment as a reason to expect cheaper money; Thursday had closed lower at 7,709.96.
US Politics institutions	4	3	3	2	3	Two executive orders narrow birthright citizenship with challenges expected; an attorney-general nomination hangs on one vote; a Senate committee moved to hold a former health official in contempt.
US Corporates earnings	2	3	3	4	3	The Trade Desk fell 18.1% and Seagate 8% while Doximity jumped 81% and Atlassian 32.1%; a judge ordered Meta to pay a further $567m in a child safety case; violent moves in both directions.
Canada Jobs employment	2	3	2	2	3	Added 75,000 posts against a forecast of 15,000 with unemployment at a two-year low of 6.4%; still well above the American rate, and economists are pointedly cautious.
Canada Trade exports	4	4	3	3	5	A 50% American tariff on roughly $20bn of goods lands on 19 August, twelve days after a jobs report that beat every forecast; the timing is the whole risk.
Canada Politics government	3	3	3	2	4	By-elections called for 31 August as Ottawa keeps its own schedule after a summer of reacting to Washington; second-quarter growth is estimated at 3.4% annualised.

How to read the colours: 1 = calm, 2 = fairly good, 3 = mixed, 4 = some strain, 5 = serious strain. Each row's number is the average across the five areas. Updated August 7.

DEEP DIVE · WHEN THE SIGNALS DIVERGE · 04

WEAK DATA · A RECORD MARKET · A CONSTITUTIONAL FIGHT

Three Ways The Gap Could Resolve

Three ways the split between America's weakening data and its confident market could resolve through the rest of 2026. The chances add up to 100%.

Part 1 · What Friday Actually Showed

Employment fell and two earlier months were revised down by 103,000. Participation dropped to a five-year low, which means the falling unemployment rate reflects withdrawal rather than hiring.

Wage growth slowed to 3.2%, the weakest since May 2021. That eases inflation pressure and squeezes household incomes at the same time.

Shares rose anyway, on the reasoning that a weaker labour market makes higher interest rates less likely. Bond yields agreed, with the two-year falling to its lowest since 17 July.

The Federal Reserve is left with shrinking employment and sticky inflation at once. Its committee has already split three ways and has not healed.

> *The report paints a dimmer picture of the jobs market, which has been one of the brighter areas of the economy amid rising inflation and worries about household spending.*
>
> ASSOCIATED PRESS · ON THE JULY EMPLOYMENT REPORT · AUGUST 7 2026

Part 2 · Possibility A — The Market Is Right (35%)

In this case the labour market cools gently, inflation follows wages down, and the Federal Reserve is able to ease. Shares grow into their valuations rather than falling to meet them.

The weak report turns out to have been the good news it was traded as. For Latin America, it means a steadier American buyer and easier global financing.

Part 3 · Possibility B — The Data Is Right (40%)

Here the withdrawal from the labour force continues and spending follows it down. The market's optimism proves premature and prices adjust.

A weakening economy eventually reaches company earnings. For Latin America, it would mean softer export demand through the autumn.

Part 4 · Possibility C — Both Are Wrong Together (25%)

In this path employment keeps weakening while inflation refuses to fall, leaving the Federal Reserve unable to help either side. Rates stay high into a slowing economy.

That is the outcome nobody is positioned for. For Latin America, it would mean a strong dollar and weak American demand at the same time.

POSSIBILITY	CHANCE	THE ECONOMY	THE MARKET	WHAT IT MEANS FOR LATIN AMERICA

A · Market is right	35%	Cools gently	Grows into prices	A steadier American buyer
B · Data is right	40%	Keeps weakening	Adjusts down	Softer export demand
C · Both wrong	25%	Weak and inflated	Repriced hard	Strong dollar, weak demand

Source: Rio Times desk · drawing on the Bureau of Labor Statistics, Statistics Canada, CNBC, Associated Press, Bloomberg and CME FedWatch. Not financial advice.

WHAT WE ARE WATCHING · 05

OUR OPINION ONLY · NOT FINANCIAL ADVICE

Eight Things We Are Watching

These are just our own opinions, not financial advice. In short: we take the participation rate more seriously than the headline unemployment rate, respect Canada's report while sharing its economists' caution, and watch the courts.

WHAT	HOW WE SEE IT	OVER WHAT PERIOD	WHY
US labour market	▼ CAREFUL	12 months	Payrolls fell, 103,000 jobs were revised away, and participation is at a five-year low.
US shares	◆ MIXED	6 months	Near a record on the reasoning that weak employment means cheaper money, which is a narrow bet.
US government debt	▲ POSITIVE	6 months	Yields fell across the curve, with the two-year at its lowest since mid-July.
US households	▼ CAREFUL	12 months	Wage growth at 3.2% is the weakest since 2021, just as hiring stops.
Canadian shares	▲ POSITIVE	12 months	A 75,000-job month and second-quarter growth near 3.4% annualised is real momentum.
Canadian dollar	◆ MIXED	6 months	The jobs report helps, but a 50% tariff on 19 August is twelve days away.
US media and technology	◆ MIXED	12 months	Ownership limits lifted for broadcasters, while a court added $567m to a child safety judgment.
US institutional risk	▼ CAREFUL	18 months	Executive orders on citizenship and a contested attorney-general nomination invite prolonged legal fights.

POWER PLAYERS · 06

SIX FORCES · IN THE NEWS TODAY

Six Forces Shaping The News

Six people, institutions and forces whose decisions are shaping North America today.

The Bureau of Labor Statistics

Data · United States

Its July release cut 23,000 jobs from payrolls and another 103,000 from May and June. The revisions matter more than the headline, because they rewrite what the summer actually was.

American workers

Labour force · United States

Participation fell to 61.4%, the lowest in over five years, which is why the unemployment rate declined. People are leaving the search rather than losing jobs.

Donald Trump

President · United States

He signed two executive orders narrowing who is born a United States citizen, calling the Supreme Court's June ruling very unfortunate. Legal challenges are considered certain.

Lisa Murkowski

Senator · United States

Her decision to vote against Todd Blanche leaves the attorney-general nomination resting on a single colleague's vote. One senator now decides who runs the Justice Department.

Statistics Canada

Data · Canada

Its labour force survey found 75,000 new jobs against a forecast of 15,000, with unemployment at a two-year low. It was the strongest Canadian data point of the summer.

Mark Carney

Prime Minister · Canada

He called by-elections for 31 August while a 50% American tariff approaches on the 19th. Keeping his own calendar is a modest assertion that Ottawa still sets some dates.

DAILY BRIEFING · 07

BY COUNTRY · ECONOMY · POLITICS · MARKETS · LAW

The Day, Country By Country

All thirteen stories from Friday's sweep, domestic only, with no war stories and leaving out what was already covered this week. The sweep drew on English and French Canadian sources.

UNITED STATES — THE LABOUR MARKET

The Summer That Was Revised Away

Payrolls fell 23,000 in July against forecasts of an 83,000 gain, while May was cut from 129,000 to 63,000 and June from 57,000 to 20,000, a combined 103,000. Sources: Bureau of Labor Statistics, Bloomberg · August 7.

The Quiet Version of Failure

Unemployment edged down to 4.1% from 4.2% because participation fell to 61.4% from 61.5%, the lowest in over five years; temporary layoffs rose 153,000 to 921,000. Sources: Bureau of Labor Statistics, Investrade · August 7.

Wages Cool Sharply

Average hourly earnings rose 0.1% on the month against 0.3% expected, taking annual growth to 3.2%, the weakest since May 2021 and below the 3.5% forecast. Sources: Bureau of Labor Statistics, Investrade · August 7.

UNITED STATES — WASHINGTON

Two Orders on Birthright Citizenship

The president signed orders narrowing who is born a citizen, drawing on a 30 June Supreme Court ruling to widen the ineligible categories, with a second order targeting birth tourism. Sources: Democracy Now, Washington Post · August 7.

A Nomination Down to One Vote

Senator Lisa Murkowski said she will vote against Todd Blanche for attorney general, leaving his confirmation resting on Senator Bill Cassidy of Louisiana. Sources: Washington Post, Democracy Now · August 7.

A Contempt Vote

The Senate Homeland Security Committee voted eight to five along party lines to hold Dr Anthony Fauci in contempt of Congress after he declined to answer questions last week. Sources: WORLD, Democracy Now · August 7.

UNITED STATES — MARKETS

Relief at Bad News

By early afternoon the broad index was up about 0.5%, the technology index 1.1% and the Dow 0.3%, with Nvidia up 1.9%, as investors read weak employment as easing rate pressure. Sources: Yahoo Finance, CNBC, Associated Press · August 7.

Yields Fall Across the Curve

The ten-year Treasury yield fell to 4.654% and the two-year to 4.204%, its lowest since 17 July, while September rate pricing remained disputed across sources. Sources: CNBC, CME FedWatch via Associated Press · August 7.

UNITED STATES — LAW AND REGULATION

A Further Fine for Meta

A judge in New Mexico ordered Meta to pay an additional 567 million dollars in a child safety case, ruling that most of the money should fund treatment services for young people. Sources: NPR, Democracy Now · August 7.

Broadcast Ownership Limits Lifted

The Federal Communications Commission voted to remove limits on how many television stations a single company may own, a significant change to American media ownership rules. Sources: Democracy Now · August 7.

Results Cut Both Ways

The Trade Desk fell 18.1% and Seagate 8%, while Doximity jumped 81% after beating expectations and raising its outlook and Atlassian rose 32.1%; the market moved violently in both directions. Sources: TheStreet · August 7.

CANADA — EMPLOYMENT

Five Times the Forecast

Statistics Canada reported 75,000 new jobs in July against a Reuters poll forecast of 15,000, split between full- and part-time work, with employment up 181,000 since April. Sources: Statistics Canada, Globe and Mail · August 7.

Nobody Is Allowed to Celebrate

Unemployment fell to 6.4%, a two-year low, but economists called the market not yet strong and the recovery road long, noting the rate remains well above the American 4.1%. Sources: Canadian Press, BNN Bloomberg · August 7.

CANADA — POLITICS AND TRADE

By-elections for 31 August

Prime Minister Mark Carney called by-elections for 31 August in seats including Beaches-East York and Chicoutimi-Le Fjord, ordinary business after a summer of reacting to Washington. Sources: Prime Minister's Office · August 2026.

Twelve Days to the Tariff

A 50% American tariff on roughly 20 billion dollars of Canadian goods takes effect on 19 August, against second-quarter growth estimated at 3.4% annualised. Sources: Statistics Canada, prior reporting · August 7.

SECTOR WATCH · CALENDAR

Pipeline, Sectors, And The Calendar

ITEM	TYPE	WHEN	STATUS
US July payrolls	Data	Today	-23,000
May and June revisions	Data	Today	-103,000 combined
US participation rate	Data	Today	61.4%, 5-year low
Birthright citizenship orders	Politics	Today	Challenges expected
Blanche confirmation	Politics	Today	Rests on one vote
Fauci contempt vote	Politics	Today	Eight to five
Meta child safety ruling	Legal	Today	$567m additional
FCC ownership limits	Policy	Today	Lifted
Canada July jobs	Data	Today	+75,000
Canadian tariff	Trade	Aug 19	50% on $20bn

Sector Watch · Four Things to Track

PARTICIPATION, NOT THE RATE

The unemployment rate fell because people stopped looking. At 61.4% participation is the lowest in over five years.

A MARKET BETTING ON WEAKNESS

Shares rose toward a record because weak employment may mean cheaper money. That is a narrow bet on one institution's response.

THE COURTS AS ECONOMIC ACTORS

Citizenship orders, a contested nomination and a $567m judgment all landed in one day. Legal outcomes are now macroeconomic variables.

CANADA'S TWELVE DAYS

A 75,000-job month meets a 50% tariff on 19 August. Whether the momentum survives that date is the only Canadian question.

Calendar · Next 30 Days

DATE	EVENT	WHY IT MATTERS
Today	US July employment report	Payrolls fell and a summer was revised away
Today	Citizenship executive orders	A constitutional fight begins
Aug 19	Canadian tariff takes effect	50% on roughly $20bn of goods
Aug 31	Canadian by-elections	Ottawa keeps its own calendar
September	Federal Reserve meeting	A committee split three ways
Coming weeks	Blanche confirmation vote	Rests on a single senator

Coming weeks	Court challenges to the orders	Lawyers expect them within days
Ongoing	US participation rate	Whether the retreat continues
Ongoing	Canadian wage growth	Slowed even as hiring beat forecasts
Ongoing	US earnings season	Anything short of perfect is being sold

WHERE NORTH AMERICA STANDS · OUR TAKE

What Today Tells Us

Our take after Friday, drawing on English and French Canadian sources and covering domestic stories only, is that America received three messages that did not agree. Each was loud, and none answered the others.

Employers cut 23,000 jobs and another 103,000 were revised out of May and June. Participation fell to 61.4%, the lowest in over five years, which is why unemployment edged down to 4.1%.

That is a country leaving the search rather than losing jobs. Wage growth slowed to 3.2%, the weakest since May 2021.

The market answered by rising about 0.5% through the session, reading weak employment as a reason to expect cheaper money. Bond yields fell with it.

What the Federal Reserve does next is genuinely disputed, with one reading showing traders paring bets on a September rise and another showing cut odds falling to 42%. Its committee split three ways last week and has not healed.

Meanwhile Washington's loudest argument was about who is born American, after two executive orders narrowing birthright citizenship. Legal challenges are considered certain.

Canada had the simpler day and trusted it less, adding 75,000 jobs against a forecast of 15,000 while its economists explained why nobody should celebrate. A 50% tariff arrives on 19 August.

For readers in Latin America, the lesson is about listening. When a country's data, its markets and its politics stop answering one another, the disagreement itself is the story.

Sources & Method

US — EMPLOYMENT	Bureau of Labor Statistics · Bloomberg · CNBC · Quartz · Trading Economics · August 7 2026 (English).
US — MARKETS	Associated Press · CNBC · TheStreet · CME FedWatch · August 7 2026 (English).
US — POLITICS	Democracy Now · Washington Post · WORLD · NPR · August 7 2026 (English).
US — LAW	NPR · Democracy Now · August 7 2026 (English).
CANADA — EMPLOYMENT	Statistics Canada · Globe and Mail · Canadian Press · BNN Bloomberg · August 7 2026 (English/French).
CANADA — POLITICS	Prime Minister's Office · National Newswatch · August 2026 (English/French).
CENTRAL BANKS	US Federal Reserve · Bank of Canada · August 2026.
LATAM LINK	Brazil's and Mexico's central banks · IDB · S&P; Global · B3 · BMV.

Method. We read major North American outlets in English and French Canadian, then put the stories in order of how much they matter for the economy and markets. Where sources disagreed, as they did on what the jobs report means for September interest rates, we report the disagreement rather than choosing a side. The health check was updated August 7. We cover domestic stories only, skip anything covered earlier in the week, and there is no sport. The opinions are our own — not financial advice.

Compiled from major North American outlets · All times Eastern unless noted

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